



**CenturyLink™**

**Jeffrey S Lanning**

Director- Federal Regulatory Affairs  
607 Fourteenth Street, NW, Suite 950  
Washington, DC 20005

Voice: (202) 393-7113

Fax: (913) 397-3649

[jeffrey.s.lanning@centurylink.com](mailto:jeffrey.s.lanning@centurylink.com)

March 24, 2011

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**EX PARTE NOTICE**

*Re: Connect America Fund, WC Dkt. 10-90; A National Broadband Plan for Our Future, GN Dkt. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Dkt. 07-135; High-Cost Universal Service, WC Dkt. 05-337; Developing a Unified Inter-carrier Compensation Regime, CC Dkt. 01-92; Federal-State Joint Board on Universal Service, CC Docket 96-45.*

Dear Ms. Dortch:

On March 23, 2011, Jeb Benedict, Nancy Shelledy and I on behalf of CenturyLink, and Tim Boucher, Craig Brown, Melissa Newman, and Lawrence Sarjeant on behalf of Qwest, met with Dan Ball, Amy Bender, Ted Burmeister, Kenneth Burnley, Joe Cavender, Randy Clarke, Rohit Dixit, Lynne Engledow, Victoria Goldberg, Rebekah Goodheart, Patrick Halley, John Hunter, Kevin King, Al Lewis, Travis Litman, Carol Matthey, Alex Minard, Gary Seigel, and Doug Slotten of the Wireline Competition Bureau. We discussed the inter-carrier compensation and universal service reforms in connection with the Connect America Fund Notice of Proposed Rulemaking adopted by the Commission on February 8, 2011.

CenturyLink and Qwest agreed that inter-carrier compensation reform and high-cost universal service reform are critical to broadband deployment and expressed general agreement with the framework in the NPRM. The companies also explained that they will be in the process of reconciling the two companies' policies as they start operating as a single company after the close of their merger.

CenturyLink and Qwest emphasized key arguments where the two companies have been consistent in past advocacy, including the need to target universal service support for broadband on the areas where there is no business case. The companies encouraged the Commission not to become distracted with a "phase one" programs for broadband support but, rather, to move directly to establishing a permanent Connect America Fund targeted to end the rural/rural divide by supporting broadband in all areas where there is no business case and no unsubsidized broadband provider.

With respect to intercarrier compensation, the companies encouraged the Commission to undertake reform that moves implicit subsidies from access charges to reasonable end-user charges and explicit support with adequate transition periods. The companies also explained that the Commission must take action promptly on the interim measures of phantom traffic, traffic pumping, and IP-PSTN access compensation to build confidence that the Commission and stakeholders can make progress on intercarrier compensation reform. In this regard, the companies discussed the recent decision in *Central Telephone Co. of Va. v. Sprint Communications Co. of Va.* \_\_\_ F.Supp.2d \_\_\_, E.D.Va., March 02, 2011 (NO. 3:09CV720), a copy of which is attached. Specifically, the companies noted the court's conclusion that Sprint "so cavalierly has shifted its position on the rates it is now willing to pay for VoIP-originated traffic ... illustrates that its disputes were based on efforts to cut costs rather than on a legitimately held belief that [it was not required] ... to pay at the levels which, for years, it had paid without protest." *Id.* at 16.

Pursuant to Section 1.1206(b) of the Commission's rules, a copy of this notice is being filed in the above-referenced dockets. Please contact me if you have any questions.

Sincerely,



Jeffrey S Lanning

cc: Dan Ball  
Amy Bender  
Ted Burmeister  
Kenneth Burnley  
Joe Cavender  
Randy Clarke  
Rohit Dixit  
Lynne Engledow  
Victoria Goldberg  
Rebekah Goodheart  
Patrick Halley  
John Hunter  
Kevin King  
Al Lewis  
Travis Litman  
Carol Matthey  
Alex Minard  
Gary Seigel  
Doug Slotten